

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION
WASHINGTON 25, D. C.

March 28, 1951

TELEPHONE ENGINEERING MEMORANDUM 505

SUBJECT: Form of Subcontract for Telephone System Construction under Construction Contracts, REA Form DS-T-10.

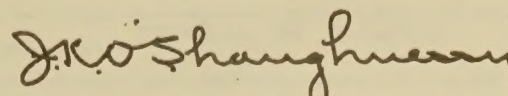
Article VI, Section 3, of the Telephone System Construction Contract (Labor and Material), REA Form DS-T-10, states the conditions under which a Contractor may subcontract construction work covered by the Contract.

Before any portion of the contract work may be subcontracted, the Contractor must obtain the consent of the Owner, the surety or sureties, and the Administrator, and such subcontracting shall not exceed 75 percent of the contract. Further, under any subcontract arrangements, the Contractor assumes full responsibility for the acts and omissions of the subcontractor and is not relieved of any of his obligations to the Owner and to the Government.

In order to provide a suitable subcontract agreement, REA has developed the attached form of subcontract, REA Form DS-239, additional copies of which may be obtained by request to REA. This form contains the basic terms which are considered to be required, but there is no restriction against making minor modifications if such appear to be desirable, so long as the modifications are not in disagreement with the intent of the Construction Contract. Such changes might include more detail on bonding or method of payment, etc. Space has been provided following Paragraph 7, for use, if desired, for these provisions.

Subcontracts are to be properly executed in quadruplicate on REA Form DS-239 and submitted to REA for review and approval. It is important that no construction work be performed by the Subcontractor prior to final approval of the subcontract by the Administrator.

Attachment


J. K. O'Shaughnessy
Chief, Engineering Division

SUBCONTRACT

AGREEMENT made this _____ day of _____, 19____, by and between _____, a (partnership, individual, corporation), (hereinafter called the "Contractor") and _____ of _____, (hereinafter called the "Subcontractor").

WHEREAS, the Contractor has entered into a Construction Contract (hereinafter called the "Construction Contract") dated _____, 19____, with _____ (hereinafter called the "Owner") providing for _____

_____ in a project bearing Rural Electrification Administration designation _____; and

WHEREAS, the Contractor and the Subcontractor desire that all of the Contractor's obligations with regard to certain work under the Construction Contract be performed by the Subcontractor;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

1. The Subcontractor agrees to perform the Contractor's obligations under the Construction Contract which, by this reference, is made a part hereof as though set out in its entirety with respect to:

2. The Subcontractor agrees that all of the work to be done hereunder shall be carried out as directed by the Engineer of the Owner in full accordance with the terms and provisions of the Construction Contract.

3. The Subcontractor shall maintain all insurance required under the Construction Contract and shall hold the Contractor and the Owner harmless from any and all claims for injuries to persons or for damage to property happening by reason of any negligence, default or misconduct on the part of the Subcontractor, his agents or employees during the performance of this Agreement.

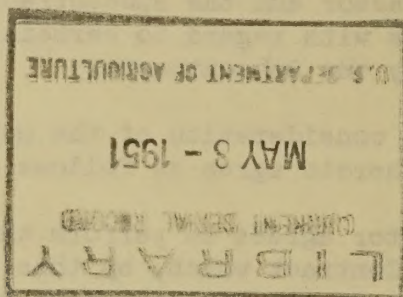
4. The Contractor agrees to pay the Subcontractor for the performance of the work hereunder the sum of _____ \$ _____ payable as follows:

5. The work to be performed hereunder shall be completed to the satisfaction of the Contractor and the Owner within the time specified in the Construction Contract. In the event additions to or alterations in the work to be performed hereunder are made necessary by changes in the

Construction Contract, the Subcontractor agrees to perform such additional or alternative work in the same manner and under the same terms and conditions as the Contractor would have been required so to perform.

6. Upon approval of this Agreement by the Owner, the surety company (hereinafter called the "Surety") furnishing the Performance Bond required by the Construction Contract, and the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), the Subcontractor shall, if required by Contractor, furnish to the Contractor a Performance Bond in form and substance satisfactory to the Contractor.

7. This agreement shall not become effective until consented to and approved in writing by the Owner, the Surety and the Administrator; provided, however, that consent to and approval hereof by the Owner and the Administrator shall in no way operate to release the Contractor from the Contractor's duties and obligations to the Owner under the Construction Contract or operate to release the Surety from its obligations under the Performance Bond required by and relating to the Construction Contract.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

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Contractor		Subcontractor	
By _____	By _____		
Title	Title		
Consented to and approved:			
_____ (SEAL)			
Owner			
By _____	Date _____		
President			
Consented to and approved:			
_____ (SEAL)			
Surety Company			
By _____	Date _____		

(Attach power of attorney in favor of person signing for Surety.)